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DEPARTMENT OF COMMERCE

International Trade Administration

C-201-846

Sugar from Mexico: Postponement of Preliminary Determination in Countervailing Duty Investigation

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

DATES: EFFECTIVE DATE: [Insert Date of Publication in the *Federal Register*].

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SUPPLEMENTARY INFORMATION:

Background

On April 17, 2014, the Department of Commerce (the Department) initiated the countervailing duty (CVD) investigation of sugar from Mexico.¹ Currently, the preliminary determination is due no later than June 23, 2014.

Postponement of Preliminary Determination

Section 703(b)(1) of the Tariff Act of 1930, as amended (the Act), requires the Department to issue the preliminary determination in a CVD investigation no later than 65 days after the date on which the Department initiated the investigation. However, if the Department determines that the parties concerned in the investigation are cooperating and that the investigation is extraordinarily complicated, section 703(c)(1)(B) of the Act allows the

¹ See *Sugar from Mexico: Initiation of Countervailing Duty Investigation*, 79 FR 22790 (April 24, 2014).

Department to postpone making the preliminary determination until no later than 130 days after the date on which it initiated the investigation.

The Department determines that the parties involved in this proceeding are cooperating.² Since the petition for this CVD investigation was filed,³ four separate Mexican sugar exporters/producers filed entries of appearances,⁴ as well as one Mexican sugar industry trade group, which alone represents at least nineteen individual Mexican sugar companies, including the Mexican government's expropriated mill-operating organization, Fondo de Empresas Expropiadas del Sector Azucarero.⁵ Each of these interested parties contributed to the record of this investigation.⁶ Furthermore, the Government of Mexico (GOM) has been actively involved in this proceeding. The GOM is on the public service list for this investigation, sent a delegation to the Department's main building for consultations regarding initiation,⁷ and has since filed comments on the investigation's scope.⁸ Such actions by the Mexican sugar industry and the GOM indicate that the interested parties are currently cooperating in this investigation.

The Department also determines that this investigation is extraordinarily complicated in light of (1) the number and complexity of the alleged countervailable subsidy programs and (2) the need to determine the extent to which particular countervailable subsidies are used by individual manufacturers, producers, and exporters.⁹ Specifically, the Department must analyze at least 20 complex alleged subsidy programs, most of which have never before been examined

² See section 703(c)(1)(B) of the Act.

³ See Petition for the Imposition of Countervailing Duties on Imports of Sugar from Mexico, March 28, 2014.

⁴ See, e.g., "Entry of Appearance and APO Application," filed on behalf of Impulsora Azucarera del Noroeste, S.A. de C.V., April 24, 2014.

⁵ See "Entry of Appearance and Administrative Protective Order Application" and "Amended Entry of Appearance and Administrative Protective Order Application," filed on behalf of Camara Nacional de Las Industrias Azucarera Y Al Alcoholera, April 11, 2014.

⁶ See, e.g., "Scope Comments," filed on behalf of Batory Foods Inc., May 7, 2014.

⁷ See "Consultations with the Government of Mexico Regarding the Countervailing Duty Petition on Sugar from Mexico," April 11, 2014.

⁸ See "Brief Submission of the Government of Mexico," May 7, 2014.

⁹ See section 703(c)(1)(B)(i) of the Act.

by the Department.¹⁰ These programs include debt discount and forgiveness, grants, various tax benefits, and preferential loans, which must be examined for each respondent selected and any company that is cross-owned with such respondents. If certain companies are selected as respondents, the Department will also analyze several company-specific uncreditworthiness allegations.¹¹ As such, the Department will likely have to issue multiple supplemental questionnaires. Moreover, the Department determines that additional time is necessary to make the preliminary determination in this investigation because initial questionnaires for this investigation have not yet been issued to the GOM or respondents and the Department will require additional time to review and analyze questionnaire responses once received from the GOM, respondents, and any companies cross-owned with respondents.

For these reasons, pursuant to section 703(c)(1) of the Act, the Department is hereby postponing the due date for the preliminary CVD determination to no later than 130 days after the day on which the investigation was initiated. As a result of this postponement, the deadline for completion of the preliminary determination is now August 25, 2014.

This notice is issued and published pursuant to section 703(c)(2) of the Act and 19 CFR 351.205(f)(1).

Paul Piquado,
Assistant Secretary,
for Enforcement and Compliance.

Dated: May 28, 2014.

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¹⁰ See generally “Countervailing Duty Initiation Checklist,” April 17, 2014.

¹¹ *Id.* at 24-25.